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**FISCAL IMPACT STATEMENT**

**LS 6965**

**BILL NUMBER:** HB 1510

**NOTE PREPARED:** Dec 31, 2008

**BILL AMENDED:**

**SUBJECT:** State Deferred Compensation Plan.

**FIRST AUTHOR:** Rep. GiaQuinta

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ GENERAL  
☒ DEDICATED  
☒ FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that, after June 30, 2009, all state employees are automatically enrolled in the State Deferred Compensation Plan (Plan) with a contribution equal to the maximum amount the state matches (currently, \$15 a pay period), unless the employee notifies the state that the employee does not want to enroll in the Plan. (Currently, only newly hired employees are automatically enrolled in the plan.)

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** The impact on the state would depend on the number of employees that choose not to participate in the Plan. For FY 2008, the state spent about \$8.1 M on the state share of deferred compensation payments. The expenditure equated to employee participation of about 20,732 employees contributing the minimum of \$390 a year, or \$15 a pay period. As of December 3, 2008, there were about 36,187 state employees. If the remaining 15,500 employees all choose to participate, then the state impact would be about \$6 M annually. The maximum amount for FY 2010 would be approximately \$4 M, assuming about eight months of payments since the selection date is September 1, 2009.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:**

**Information Sources:** State Auditor's database, State Personnel Database.

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